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May 4, 2005

Public Service Commission of South Carolina
Attn: Docketing Department
Post Office Box 11649
Columbia, South Carolina 29211

Re: Application of MCG Capital Corporation, IDS Telecom and IDS Telecom, LLC for a Joint Application for Authority to Complete an Assignment of Assets and to Grant Authority to IDS Telecom Corporation to Provide Local Exchange and Interexchange Services, for Alternative and Flexible Regulation Necessity to Provide Local Exchange Telecommunications Services in the State of South Carolina (SCPSC Docket No. 2005-26-C)

Dear Sir or Madam:

Please find enclosed for filing on behalf of the South Carolina Telephone Coalition (the "Coalition") an original and ten (10) copies of an executed Stipulation between the Coalition and the Applicant, in the above-referenced docket. By copy of this letter and Certificate of Service appended to the Stipulation, I am serving all parties of record.

Please clock in a copy of the Stipulation and return it by our courier.

Should you have any questions with respect to this matter, please do not hesitate to contact me.

Very truly yours,

Margaret M. Fox by Elizabeth A. Blitch
Margaret M. Fox

Enclosures

cc: John J. Pringle, Jr., Esquire
Florence P. Belser, Esquire

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BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA

Docket No. 2005-26-C

Re: Application of MCG Capital Corporation, IDS)
Telecom Corporation and IDS Telecom, LLC)
for a Joint Application for Authority to Complete)
an Assignment of Assets and to Grant Authority)
to IDS Telecom Corporation to Provide Local)
Exchange and Interexchange Services, for)
Alternative and Flexible Regulation)

STIPULATION

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PUBLIC SERVICE
COMMISSION

The South Carolina Telephone Coalition ("SCTC") (see attachment "A" for list of companies) and IDS Telecom Corporation ("IDS Telecom Corporation") hereby enter into the following stipulations. As a consequence of these stipulations and conditions, SCTC does not oppose IDS Telecom Corporation's Application. SCTC and IDS Telecom Corporation stipulate and agree as follows:

1. SCTC does not oppose the granting of a statewide Certificate of Public Convenience and Necessity to IDS Telecom Corporation, provided the South Carolina Public Service Commission ("Commission") makes the necessary findings to justify granting of such a certificate, and provided the conditions contained within this stipulation are met.

2. IDS Telecom Corporation stipulates and agrees that any Certificate which may be granted will authorize IDS Telecom Corporation to provide service only to customers located in non-rural local exchange company ("LEC") service areas of South Carolina, except as provided herein.

3. IDS Telecom Corporation stipulates that it is not asking the Commission to make a finding at this time regarding whether competition is in the public interest for rural areas.

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4. IDS Telecom Corporation stipulates and agrees that it will not provide any local service, by its own facilities or otherwise, to any customer located in a rural incumbent LEC's service area, unless and until IDS Telecom Corporation provides such rural incumbent LEC and the Commission with written notice of its intent to do so at least thirty (30) days prior to the date of the intended service. During such notice period, the rural incumbent LEC will have the opportunity to petition the Commission to exercise all rights afforded it under Federal and State law. Also, IDS Telecom Corporation acknowledges that the Commission may suspend the intended date for service in rural LEC territory for ninety (90) days while the Commission conducts any proceeding incident to the Petition or upon the Commission's own Motion, provided that the Commission can further suspend the implementation date upon showing of good cause.

5. IDS Telecom Corporation stipulates and agrees that, if IDS Telecom Corporation gives notice that it intends to serve a customer located in a rural incumbent LEC's service area, and either (a) the Commission receives a Petition from the rural incumbent LEC to exercise its rights under Federal or State law within such 30-day period, or (b) the Commission institutes a proceeding of its own, then IDS Telecom Corporation will not provide service to any customer located within the service area in question without prior and further Commission approval.

6. IDS Telecom Corporation acknowledges that any right which it may have or acquire to serve a rural telephone company service area in South Carolina is subject to the conditions contained herein, and to any future policies, procedures, and guidelines relevant to such proposed service which the Commission may implement, so long as such policies, procedures, and guidelines do not conflict with Federal or State law.

7. The parties stipulate and agree that all rights under Federal and State law are reserved to the rural incumbent LECs and IDS Telecom Corporation, and this Stipulation in no way suspends or adversely affects such rights, including any exemptions, suspensions, or modifications to which they may be entitled.

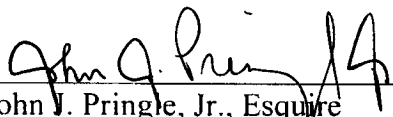
8. IDS Telecom Corporation agrees to abide by all State and Federal laws and to participate, to the extent it may be required to do so by the Commission, in the support of universally available telephone service at affordable rates.

9. IDS Telecom Corporation hereby amends its application and its prefiled testimony in this docket to the extent necessary to conform with this Stipulation.

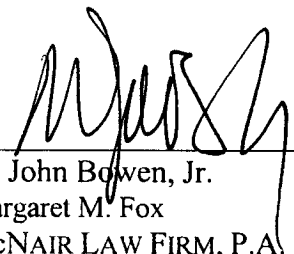
AGREED AND STIPULATED to this 4th day of May,
2005.

IDS Telecom Corporation

South Carolina Telephone Coalition:



John J. Pringle, Jr., Esquire
Ellis Lawhorne & Sims, P.A.
Post Office Box 2285
Columbia, South Carolina 29202
(803) 254-4190



M. John Bowen, Jr.
Margaret M. Fox
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Attorneys for the South Carolina Telephone
Coalition

ATTACHMENT A

South Carolina Telephone Coalition Member Companies for Purposes of Local Service Stipulation

ALLTEL South Carolina, Inc.
Chesnee Telephone Company
Chester Telephone Company
Farmers Telephone Cooperative, Inc.
Ft. Mill Telephone Company
Home Telephone Company, Inc.
Lancaster Telephone Company
Lockhart Telephone Company
McClellanville Telephone Company
Norway Telephone Company
Palmetto Rural Telephone Cooperative, Inc.
Piedmont Rural Telephone Cooperative, Inc.
Pond Branch Telephone Company
Ridgeway Telephone Company
Rock Hill Telephone Company
Sandhill Telephone Cooperative, Inc.
St. Stephen Telephone Company
West Carolina Rural Telephone Cooperative, Inc.
Williston Telephone Company

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
Docket No. 2005-26-C

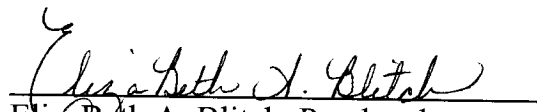
Re: Application of MCG Capital Corporation,)
IDS Telecom and IDS Telecom, LLC for a)
Joint Application for Authority to Complete)
an Assignment of Assets and to Grant)
Authority to IDS Telecom Corporation to)
Provide Local Exchange and Interexchange)
Services, for Alternative and Flexible)
Regulation)
_____)

**CERTIFICATE OF
SERVICE**

I, ElizaBeth A. Blich, do hereby certify that I have this date served one (1) copy of the foregoing Stipulation upon the following party of record by causing said copy to be deposited with the United States Mail, first class postage prepaid to:

John J. Pringle, Jr., Esquire
Ellis Lawhorne & Sims, P.A.
Post Office Box 2285
Columbia, South Carolina 29202

Florence P. Belser, Esquire
Office of Regulatory Staff
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ElizaBeth A. Blich, Paralegal
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(803) 799-9800

May 4, 2005

Columbia, South Carolina